

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**HOUSE BILL 804**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Max Coll

**AN ACT**

**RELATING TO PUBLIC EMPLOYEES; PROVIDING THAT CERTAIN EMPLOYEES  
OF THE LEGISLATIVE BRANCH MAY BE ELIGIBLE TO PARTICIPATE IN  
GROUP INSURANCE PLANS.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,  
Chapter 188, Section 1, as amended) is amended to read:**

**"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS  
FROM PUBLIC FUNDS.--**

**A. All state departments and institutions and all  
political subdivisions of the state, excluding municipalities,  
counties and political subdivisions of the state with twenty-  
five employees or fewer, shall cooperate in providing group  
term life, medical or disability income insurance for the  
benefit of eligible employees or salaried officers of the**

underscored material = new  
[bracketed material] = delete

1       respective departments, institutions and subdivisions.

2               B. A person who is a seasonal employee of the  
3 legislative branch during a session of the legislature is  
4 eligible for group insurance pursuant to the provisions of this  
5 section and, after the adjournment of the legislative session  
6 and termination of the seasonal employment, shall continue to  
7 be eligible until the first day of the next regular session of  
8 the legislature if the person makes contributions pursuant to  
9 Paragraph (5) of Subsection C of this section.

10               ~~B.~~ C. The group insurance contributions of the  
11 state or any of its departments or institutions, including  
12 institutions of higher education and the public schools, shall  
13 be made as follows:

14                       (1) seventy-five percent of the cost of the  
15 insurance of an employee whose annual salary is less than  
16 fifteen thousand dollars (\$15,000);

17                       (2) seventy percent of the cost of the  
18 insurance of an employee whose annual salary is fifteen  
19 thousand dollars (\$15,000) or more but less than twenty  
20 thousand dollars (\$20,000);

21                       (3) sixty-five percent of the cost of the  
22 insurance of an employee whose annual salary is twenty thousand  
23 dollars (\$20,000) or more but less than twenty-five thousand  
24 dollars (\$25,000); ~~or~~

25                       (4) sixty percent of the cost of the insurance

underscored material = new  
[bracketed material] = delete

1 of an employee whose annual salary is twenty-five thousand  
2 dollars (\$25,000) or more; or

3 (5) for a person who is a seasonal employee of  
4 the legislative branch during a session of the legislature, the  
5 applicable percentage from Paragraphs (1) through (4) of this  
6 subsection determined as if the salary rate earned during the  
7 legislative session was earned by the person for a full year;  
8 provided that, after adjournment of the legislative session and  
9 termination of the seasonal employment, the state shall not  
10 make any group contribution for the person and the person shall  
11 be eligible for group benefits only if the person contributes  
12 one hundred percent of the cost of the insurance.

13 As used in this subsection, "cost of the insurance" means  
14 the premium required to be paid to provide coverages. Any  
15 contributions of the political subdivisions of the state,  
16 except the public schools and political subdivisions of the  
17 state with twenty-five employees or fewer, shall not exceed  
18 sixty percent of the cost of the insurance.

19 ~~[C.]~~ D. When a public employee elects to  
20 participate in a cafeteria plan as authorized by the Cafeteria  
21 Plan Act and enters into a salary reduction agreement with the  
22 governmental employer, the provision of Subsection ~~[B]~~ C of  
23 this section with respect to the maximum contributions that can  
24 be made by the employer are not violated and will still apply.  
25 The employer percentage or dollar contributions as provided in

. 143128. 1

underscored material = new  
[bracketed material] = delete

1 Subsection ~~[B]~~ C of this section shall be determined by the  
2 employee's gross salary prior to any salary reduction  
3 agreement.

4 ~~[D-]~~ E. Any group medical insurance plan offered  
5 pursuant to this section shall include effective cost-  
6 containment measures to control the growth of health care  
7 costs. The responsible public body that administers a plan  
8 offered pursuant to this section shall report annually by  
9 September 1 to appropriate interim legislative committees on  
10 the effectiveness of the cost-containment measures required by  
11 this subsection. "

12 Section 2. Section 10-7B-2 NMSA 1978 (being Laws 1989,  
13 Chapter 231, Section 2) is amended to read:

14 "10-7B-2. DEFINITIONS.--As used in the Group Benefits  
15 Act:

16 A. "committee" means the group benefits committee;

17 B. "director" means the director of the risk  
18 management division of the general services department;

19 C. "employee" means any salaried officer or  
20 employee of the state or a local public body ~~[or both, as the~~  
21 ~~context requires]~~. "Employee" includes a person who was a  
22 seasonal employee of the legislative branch during a session of  
23 the legislature and who continues to be eligible for group  
24 insurance pursuant to Section 10-7-4 NMSA 1978;

25 D. "local public body" means any New Mexico

. 143128. 1

1 incorporated municipality, county or school district;

2 E. "professional claims administrator" means any  
3 person or legal entity which has at least five years of  
4 experience handling group benefits claims, as well as such  
5 other qualifications as the director may determine from time to  
6 time with the committee's advice; and

7 F. "state" or "state agency" means the state of New  
8 Mexico or any of its branches, agencies, departments, boards,  
9 instrumentalities or institutions."

10 Section 3. EFFECTIVE DATE. --The effective date of the  
11 provisions of this act is January 1, 2004.